

PART 8: DOMESTIC RELOCATIONS

1 Persons Eligible

A. Persons Eligible

Persons eligible for permanent change of station (PCS) allowances include:

- Government employees
- New appointees to a shortage category who meet the criteria established under the Federal Employees Pay Comparability Act of 1990, and who are approved for specific allowances under procedures in Handbook 32-PM

B. Basic Rule

Eligible persons may be reimbursed for PCS expenses when they are transferred from one ODS to another, provided:

- the vacancy announcement does not state that these allowances are not payable,
- the transfer is in the best interests of the Federal Government,
- the transfer is **not** primarily for the convenience or benefit of the employee, and
- the new duty station is at least 50 miles distant from the old duty station.

C. Exceptions to the 50-Mile Rule

Exceptions to the 50-mile distance rule may be granted on a case-by-case basis when it has been determined that a relocation is in the best interest of the government and any of the following criteria are met:

- the one-way commuting pattern between the old and new official station increases by at least 10 miles but no more than 50 miles
- there is an increase in the commuting time to the new official station
- a financial hardship is imposed because of increased commuting costs

Offices must submit an exception letter to the Director, FMD, requesting an exception to the 50-mile rule. Letters should address the above criteria as well as:

- the mileage differences between residences and old/new duty stations
- total estimated cost for each transfer
- any additional supporting information that would aid in determining whether or not relocation allowances should be granted

2 Service Agreements

A. Basic Rule

Prior to incurring any relocation expenses, an employee must sign a Service Agreement. Both GS and CO employees should sign the service agreement located at the bottom of Form AD-202R. FSA employees may complete Form FSA 164-1, Service Agreement, in lieu of the service agreement on the Form AD-202R. If Form 164-1 is used, it must be attached to the first travel voucher submitted to NFC.

By signing the service agreement, the employee also accepts withholding tax allowance (WTA) that is applicable to certain relocation reimbursements. A relocation income tax (RIT) claim must be filed on all taxable expenses in the year following the year in which the expenses are paid. If a RIT claim is not filed, the employee is liable for the WTA paid. (Refer to Paragraph 12, Relocation Income Tax Allowance)

B. Terms

The Service Agreement:

- is the employee's contractual agreement to remain in the Federal service for 1 year after the effective date of their transfer
- requires the repayment of all PCS expenses incurred by the Agency in the event the employee does not complete the agreed-upon year of Federal service

C. Exceptions to Terms

Exceptions from the terms of the Service Agreement may be granted if the failure to complete the terms of the agreement is for reasons:

- beyond the control of the employee, and
- acceptable to the Agency. An exception to the terms of the Service Agreement must be approved by the applicable Deputy Administrator

3 Preparing Forms

A. Forms to Use

The following travel forms are used for relocation:

- AD-202, Travel Authorization/Advance
- AD-202R, Attachment for Relocation Travel
- AD-202RE, Attachment for Election of Separate Relocation Allowances
- AD-616R, Travel Voucher (Relocation)
- AD-424, Employee Application for Reimbursement of Expenses Incurred Upon Sale or Purchase (Or Both) of Residence Upon Change of Official Station
- AD-569, Expense Record for Temporary Quarters
- Form AD-1000, Claim for Relocation Income Tax Allowance

NOTE: Form AD-202R is an attachment to Form AD-202 that is used to authorize relocation travel. Form AD-202R is always completed in conjunction with the AD-202 and must be attached to the AD-202 for submission to NFC for processing. The AD-202 and AD-202R should be transmitted to NFC via the NFC Online Travel System. Travel vouchers and associated forms must be submitted to NFC in paper format. Directions for completion and examples of completed forms can be found in the NFC Procedures Manual, Title II, Chapter 2, Section 1, dated September 1997.

B. Approving Official

Relocation allowances may generally be approved by any official delegated authority to approve travel authorizations. Relocation allowances for State office employees may be approved by the SED, who may redelegate this authority to the AO. Relocation allowances for CO employees (Federal and non-Federal) must be approved by the State office.

Relocation allowances for new appointees must be approved following the procedures in Handbook 32-PM for GS employees and Handbook 27-PM, Paragraph 460, for CO employees. (Refer to Paragraph 4B, Entitlements for New Appointees)

C. Time to Complete Paperwork

Relocating employees must receive written authorization **prior** to incurring any relocation expenses. The employee and the office to which the employee is relocating are responsible for completing the necessary paperwork to effect the employee's relocation. Forms AD-202 and AD-202R should be completed as soon as an employee is officially notified of a transfer to ensure adequate time is permitted to complete the necessary transactions at the ODS.

No expenses may be reimbursed that are incurred prior to the date they are authorized. Because of the personal disruption caused by a relocation to the lives of employees and their families, offices should work cooperatively with employees in setting effective dates for personnel actions and reporting dates for their relocating employees that reasonably take the time necessary to complete relocation transactions into account. By the same token, employees are expected to diligently endeavor to complete their relocations expeditiously and cost effectively, particularly if the Agency is paying temporary quarters subsistence expenses.

For authorizations that require post approval, the reason for post approval must be annotated in the remarks section of the travel authorization.

4 Entitlements

A. Eligible Employees

Both Federal and non-Federal county office employees may be authorized the following PCS allowances:

- travel expenses to seek a new residence (house-hunting trip) (Paragraph 5)
- transportation expenses from old residence to new duty station (en route travel) (Paragraph 6)
- shipment and storage of household goods (Paragraph 7)
- temporary quarters subsistence expenses (TQSE) (Paragraph 8)
- miscellaneous expense allowance (Paragraph 9)
- real estate expenses (Paragraph 10)
- participation in the Relocation Services Program (Paragraph 11)
- relocation income tax allowance (RITA) (Paragraph 12)
- administrative leave (Paragraph 13)
- expenses for the shipment of a mobile home (refer to Chapter 302-7 of the Federal Travel Regulation)

All of the entitlements noted above, with the exception of house-hunting and temporary quarters, are mandatory entitlements. House-hunting and temporary quarters are authorized at the discretion of the approving official. In addition, use of RSP is at the discretion of the transferring employee.

B. Entitlements for New Appointees

Under the authority of the Federal Employees Pay Comparability Act, the Agency may pay certain **limited** travel and transportation expenses to first duty post. Payment of these allowances is not an automatic entitlement and is at the discretion of the Agency.

Handbook 32-PM establishes procedures to be followed by the requesting office to obtain approval to pay relocation allowances for new GS appointees.

If the Agency makes this determination, the appointee may be authorized the following allowances:

- transportation expenses -- one-time common carrier fare or mileage by POV for themselves and their immediate families, from original residence to the location of their first appointment
- en route per diem for the appointee only. Per diem is not authorized for travel of 12 hours or less that begins and ends within the same calendar day
- transportation and temporary storage of household goods and personal effects, or shipment of the employee's mobile home, from original residence to location of first employment
- non-temporary storage of household goods if appointed to an isolated location

A copy of the Agency approval (in accordance with Handbook 32-PM) should be attached to the travel authorization when completed. Handbook 27-PM, Paragraph 460 should be referred to for CO employees.

C. Entitlements For Employees Covered Under the GETA

County Office Trainees and Farm Loan Officer trainees fall under the under the GETA for relocation purposes. When assigned to a training site, the following relocation allowances may be authorized:

- en route transportation of employee and immediate family members
- en route per diem (if more than 12 hours) for the employee only
- movement of household goods and temporary storage

Upon successful completion of the training program and reassignment, the employee is entitled to full relocation allowances from the ODS to the new duty station, provided the transfer meets the required criteria for relocation.

5 House-Hunting Trip

A. Discretion of Authorizing Official

House hunting refers to a trip made by the employee and/or spouse at government expense, to the new ODS locality to find permanent living quarters to rent or purchase. The allowance is intended to facilitate and expedite the move and reduce the overall cost of relocation by reducing the amount of time in temporary quarters.

A house-hunting trip is **not** an automatic entitlement. It may be authorized at the **discretion** of the approving official only when circumstances indicate it is actually needed.

B. Basic Rules/Requirements

Travel on house-hunting trips must meet the following criteria:

- Both the old and new duty stations are located within the CONUS and are 75 or more miles apart (as measured by map distance) via a usually traveled route.
- Travel must be to seek a new residence. House-hunting trips may not be authorized when the purpose of the trip is to assist the employee in deciding whether he or she will accept the transfer.
- Travel is for **one round trip** for the employee and/or spouse **only**, no other family members. Separate trips may be authorized for the employee and spouse; however, reimbursement is limited to the cost that would have been incurred if the employee and spouse had traveled together on one round trip.
- The employees house-hunting trip must be completed by the day before the employee reports to the new duty station. The spouse's trip must be completed by the day before the immediate family relocates to the new official station or the day before the maximum time for beginning allowable travel expires, whichever is earliest.
- The house-hunting trip should be for a reasonable period, not to exceed 10 calendar days, including travel time. The employee is considered to be in duty status while on the trip.
- A travel authorization for the relocation must be approved and a service agreement must have been signed by the relocating employee prior to conducting the house-hunting trip.
- New appointees, new hires, and employees assigned under the GETA are not entitled to house-hunting trips.
- House-hunting trips are not authorized when either the old or new duty station, or both, are located outside CONUS, except for the States of Alaska and Hawaii, the Commonwealths of Puerto Rico, the Northern Mariana Islands, and the Territories and possessions of the United States.
- Employees who will be assigned to government or other prearranged residence quarters at the new duty station are not entitled to house-hunting trips.

C. Allowable Expenses

While on the house-hunting trip, an employee and/or spouse are entitled to transportation costs and subsistence expenses. The maximum per diem rate for the employee is the lesser of the locality rate where the employee seeks residence quarters or the locality rate where the employee obtains lodging accommodations. A spouse, traveling with the employee, is allowed 75% of the per diem rate. If the spouse travels without the employee, the full per diem rate is allowed.

In addition to per diem, transportation by common carrier, local transit systems, rental car or POV mileage are also reimbursable. Expenses for the use of taxis are limited to transportation between residences and/or places of lodgings and airport terminals. Mileage for POV use to and from airports is allowed at the applicable TDY mileage rate (Part 2, Paragraph 9B); however, if travel by POV to and from the old and new duty stations is authorized for the house-hunting trip, mileage is reimbursed at the transfer of station mileage rates (Paragraph 6D). Travel by POV on house hunting trips should only be authorized when it is advantageous to the government.

Personal telephone calls are allowed while on house-hunting trips to the extent allowed by Agency regulations.

D. Reimbursement

Form AD-616R, Travel Voucher (Relocation) is used to claim reimbursement for house-hunting trips. An advance of funds may be allowed for house-hunting trips. Lodging taxes incurred on house-hunting trips should be claimed as a miscellaneous expense on Form AD-616.

6 En Route Travel

A. Transportation Expenses

The transferring employee and immediate family, whether traveling together or separately, may be reimbursed **one-way** transportation expenses between the residence at the old duty station and the new residence. Transportation expenses include per diem, a mileage allowance for privately owned vehicles and/or common carrier tickets. These allowances are payable from the actual time of departure to the time of arrival, based on the most direct route and uninterrupted travel time. Per Diem may not be authorized when the entire one-way trip is 12 hours or less.

The employee's immediate family are the members of the employee's household at the time the employee reports for duty at the new permanent duty station. This includes:

- spouse (if the spouse's last name is different from that of the employee, a copy of the marriage certificate is required)
- dependent children or dependent brothers and sisters of the employee or spouse who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support (medical certificate must be provided)
- dependent parents of employee or spouse

B. En Route Per Diem

Per Diem expenses will be paid in accordance with the tables below. (**NOTE:** The per diem rate for en route travel is based on the standard CONUS per diem rate of \$55 for lodging and \$30 for M&IE)

Person(s) Covered	Travel of more than 24 hours with lodging			Travel of more than 12 hours, but less than 24 hours
	Lodging NTE	M&IE rate	Total NTE	3/4 M&IE
Employee or unaccompanied spouse	\$55.00	\$30.00	\$85.00	\$22.50
Spouse and dependents 12 years of age and older	\$41.25	\$22.50	\$63.75	\$16.88
Dependents under 12 years of age	\$27.50	\$15.00	\$42.50	\$11.25

C. Mileage Requirements

Travelers must *average* at least 300 miles per day for each full day they are in en route travel in order to qualify for en route per diem. Mileage reimbursements are limited to the official mileage guide.

D. Mileage Rates for Use of POV

Employees or dependents that travel by POV may be authorized mileage expenses based on the number of occupants in the POV in accordance with the table below:

Number of Occupants	Mileage Rate
One occupant	15 cents/mile
Two occupants	17 cents/mile
Three occupants	19 cents/mile
Four or more occupants	20 cents/mile

NOTE: FSA and FAS **do not** ship POVs for employees transferring within CONUS.

E. Use of More Than One POV

Use of more than 1 POV may only be authorized under one of the following circumstances:

- If there are more members of the immediate family than reasonably can be transported with luggage in 1 vehicle.
- Special accommodations are required in transporting a member of the immediate family because of age or physical condition.
- If an employee must report to the new duty station in advance of travel by members of the immediate family who delay travel for acceptable reasons such as completion of a school term, sale of property, shipment of household goods, unavailability of adequate housing at the new duty station, etc.
- If a member of the immediate family performs unaccompanied travel between authorized points other than those for the employee's travel (such as a dependent child returning home from college).
- If immediate family members must travel to the new official station in advance of the employee's reporting date for acceptable reasons such as to enroll children in school at the beginning of the term.

F. Reimbursement

Form AD-616R is used to claim reimbursement for enroute travel expenses. An advance of funds may be allowed for en route travel. Lodging taxes incurred on enroute travel should be claimed as a miscellaneous expense on Form AD-616.

7 Shipment and Storage of Household Goods

A. Basic Rule

The Federal Government will pay the costs of packing, shipping, unpacking, and/or storing an employee's household goods and personal effects when an employee is transferred to a new official duty station.

B. Limitations

Limits on the shipment and storage of household goods are:

- Weight may not exceed 18,000 pounds. Employees are liable for paying the costs associated with transporting and/or storing household goods exceeding the maximum weight allowance. No exceptions are allowed.
- Authorized storage may not exceed an initial 90-day period. **Note:** An additional 90-day period may be authorized. Written requests for extensions should be submitted to the Director, FMD, for headquarters employees. State office and county office employees should submit requests to the State office. The SED can approve these extensions (SED may redelegate authority to AO). Under no circumstances may authorized storage of household goods exceed 180 days. Justification for extensions of temporary storage may include, but are not limited to:
 - an intervening TDY or long-term training assignment
 - non availability of suitable housing
 - completion of residence under construction
 - serious illness of employee or illness or death of a dependent
 - strikes, acts of God, or other circumstances beyond the control of the employee

C. Means of Shipment

There are two methods for moving household goods:

- Commuted rate
- Actual expense

Note: If an employee is authorized movement of household goods by the actual expense method and chooses to perform a **do-it-yourself** move, reimbursement is limited to the actual costs (truck rental, material handling equipment, packing materials, gasoline, oil, and tolls,). Labor by the employee or other family members not reimbursable. Actual costs cannot exceed what the government would have paid to the lowest cost carrier listed on the GSA cost comparison. Reimbursement requires receipts and a weight certificates (unloaded w/full tank of gas and loaded w/full tank of gas). If a weight certificate cannot be obtained, the dimensions of the vehicle used to transfer the goods must be provided in the Remarks section of the AD-616R, when filing for reimbursement.

D. Reimbursement

An advance of funds may be allowed if the Commuted Rate Method is authorized or if the employee elects to perform a **do-it-yourself** move under the Actual Expense Method. Reimbursement is claimed by submitting a Form AD-616R.

E. Contact

To arrange shipping and storage of household goods or obtain information on shipment and storage of household goods, contact Jerald Greenwood of the Recurring Requirements Section of the MSD in WDC at 202-690-1922.

8 TQSE

A. Discretion of Authorizing Official

Relocating employees may be reimbursed for expenses incurred while occupying temporary quarters prior to moving into a permanent residence. Reimbursement for TQSE is **not** an automatic entitlement. It must be specifically authorized. The need for TQSE and the length of time required are determined on a case-by-case basis, subject to limitations and approvals by the approving official. It is the employee's responsibility to plan the relocation in order to minimize or eliminate the need for TQSE, whenever possible, and to limit expenses to those that are reasonable and prudent.

B. Basic Rules/ Requirements

TQSE:

- may be authorized only if the employee's new duty station is located in the U.S.
- may be authorized only when the old and new official duty stations are 50 or more miles apart (as measured by map distance) over a usually traveled surface route.
- are limited to an initial 30 days when an employee participates in the home purchase service portion of the RSP or 60 days when an employee does not participate in the home purchase service portion of the RSP.

NOTE: Employees may request extensions to temporary quarters by submitting a written request, which contains a detailed justification that warrants the extension. Additional time beyond the initial 30 or 60 days may be approved, in 30-day increments, when compelling reasons justified by the employee, exist.

The FTR defines compelling reasons as an event beyond the employee's control and acceptable to the Agency approving official. Examples include, but are not limited to:

- delivery of household goods to the employee's new residence is delayed due to strikes, custom clearances, hazardous weather, fires, floods, or other acts of God, or similar events
- an employee cannot occupy a new residence because of unanticipated problems (e.g. delay in settlement on the new residence or short-term delay in construction of the residence)

B. Basic Rules/ Requirements, *continued*

- an employee is unable to locate a permanent residence which is adequate for the family's needs because of housing conditions at the new ODS
- sudden illness, injury, death of the employee or death of a member of the employee's immediate family

According to the ATR and FSA policy, the following are **not** considered to be compelling reasons for an extension to temporary quarters:

- poor housing market (as opposed to inadequate housing conditions)
- general economic conditions of the locale the employee is moving from/to
- personal financial problems of the employee
- inability, for whatever reason, to sell a residence does not by itself justify an extension

NOTE: Delays in construction of a residence at the new duty station are not considered reasons to extend an employee's period of temporary quarters beyond 60 days.

Requests for extensions from **all** employees enrolled in the home purchase service portion of relocation services must be submitted through the appropriate supervisor/approving official to the Director, FMD. Requests from state and county office employees should be sent to the Director, FMD, through the State office.

Requests for extensions from State and county office employees **not** enrolled in the home purchase service portion of relocation services must be sent to the State office. The SED or AO, if redelegated authority by the SED, may approve/disapprove these requests. Headquarters employees must submit requests to the Director, FMD.

- cannot be authorized for more than 120 days, under any circumstances
- may only be interrupted for "official" circumstances, (e.g., temporary duty assignment, and military leave). Annual leave away from the new duty station or return to the old duty station on weekends, is not considered an interruption of the consecutive-day time frames. Expenses incurred while away from the temporary quarters location may not be claimed
- may begin as soon as the travel authorization is issued; however, TQSE should begin no later than 30 days after the reporting date or no later than 30 days after the date the family vacates the old residence
- may be occupied at a location within reasonable proximity of the old or new duty stations, but it cannot be the employee's old residence. An employee may also occupy TQSE at one location while members of the immediate family occupy quarters at another location

B. Basic Rules/ Requirements, *continued*

- expenses begin the first day the employee or immediate family begins TQSE and extends in consecutive days from that date. Fractions of days are counted as whole days within a particular period
- ceases when the employee or immediate family members move into permanent quarters or the authorized period of TQSE ends

NOTE: If the intent of the employee, upon entering TQSE, is to occupy those quarters on a permanent basis, they are not considered temporary and do not qualify for reimbursement as TQSE.

C. Dollar Limitations

TQSE is reimbursed under the **actual expense method** only. Dollar limitations, per day, for **all** TQSE are:

Person	Days 1-30	Days 31-120
Employee or unaccompanied spouse	\$85/day (applicable per diem rate)	\$63.75/day (.75 times the applicable per diem rate)
Accompanying spouse/ family members over 12 years of age	\$63.75/day (.75 times the applicable per diem rate)	\$42.50/day (.5 times the applicable per diem rate)
Family members under 12 years of age	\$42.50/day (.5 times the applicable per diem rate)	\$34/day (.4 times the applicable per diem rate)

Maximum limitations within the U.S., regardless of location, are based upon the standard CONUS per diem rate of \$85.00 per day (includes both lodging and meals). For non-foreign areas outside of CONUS, the maximum limitations are based on the established per diem rate for the locality of the TQSE.

D. Expenses Covered

Allowable expenses for TQSE can be found in the following table. Reimbursement will be for **reasonable, actual expenses** incurred.

Expense	Reimbursable	Receipt Required
Lodging	Yes	Yes
Any basic monthly utility fees charged in connection with the temporary rental of an apartment	Yes	Yes
Long distance calls	Yes, if to old residence when spouse/ dependents remain at the old residence	No Yes, if \$75 or more
Dry cleaning/pressing of clothes	Yes	Yes
Coin operated laundry	Yes	No
Meals/Groceries	Yes	Yes, if \$75 or more

E. Reimbursement

Actual daily costs are itemized on Form AD-569, Expense Record for Temporary Quarters. Actual expenses incurred may be claimed not to exceed the maximum amounts allowed (maximum daily rate x 30 days = maximum allowed).

If an employee stays with friends or relatives, certain rental subsistence expenses may be reimbursed, however, lodging costs may not be based on amounts that would have been paid at a hotel or other lodging facility. Costs should be based on the additional expenses incurred by your host such as extra utilities, bed linen, laundry, etc. An itemized receipt issued by your host must be attached to the AD-569 showing proof of payment, number of people involved, and pertinent facts necessary to determine the reasonableness of the expenses.

An advance of funds may be allowed for TQSE in 30-day increments. Daily costs for TQSE are itemized on Form AD-569, which is filed with Form AD-616R for TQSE reimbursement. Taxes on lodging are considered to be part of the daily lodging cost, not a miscellaneous expense.

9 Miscellaneous Expense Allowance

A. Purpose of Allowance

A miscellaneous expense allowance is authorized to defray miscellaneous costs associated with discontinuing a residence at one location and establishing a residence at another location.

B. Dollar limitations

Miscellaneous expenses should be authorized in accordance with the following table:

Type of Documentation	Employee With Family	Employee Without Family
None	\$1000	\$500
Receipts and/or documentation of expenses	Up to 2 week's basic gross pay.	Up to 1 week's basic gross pay.

When miscellaneous allowance expenses exceed \$1000 for the employee and family or \$500 for the employee traveling alone, the expenses must be itemized in the Remarks block of the Form AD-616R and receipts must be submitted for all expenses claimed. An employee with family, who transfers to the new duty station ahead of the family, can be reimbursed \$500.00. The remaining \$500.00 can be reimbursed upon transfer of the family to the new duty station.

C. Examples of Miscellaneous Expenses

Expense	Reimbursable
Fees for disconnecting and connecting appliances, equipment, utilities, and converting appliances for operation on available utilities.	Yes
Fees for unblocking and blocking, and related expenses in the relocation of a mobile home. (Does not include transportation expenses.)	Yes
Fees for cutting and fitting rugs, draperies, and curtains moved from old to new residence.	Yes
Forfeiture losses on medical, dental and food locker contracts that are not transferable; and contracts for private institutional care, such as that provided for handicapped or invalid dependents only, which are not transferable or refundable.	Yes

C. Examples of Miscellaneous Expenses, *continued*

Expense	Reimbursable
Costs of automobile registration, driver's license, and use taxes imposed when bringing automobiles into certain jurisdictions.	Yes
Losses in selling or buying real and personal property and items related to such transactions.	No
Costs which are reimbursed under other provisions of the Federal Travel Regulations.	No
Additional insurance on shipment/storage of household goods.	No
Additional costs of movement of household goods in excess of 18,000 pounds.	No
Costs of items newly acquired specifically for use in the new residence (i.e. new carpet, draperies).	No
Increased taxes as a result of the relocation. (See paragraph 11.)	No
Fines for traffic violations imposed while en route to the new duty station.	No
Losses sustained as a result of the sale or disposal of personal property not considered convenient or practicable to move.	No
Damage or loss of clothing, luggage, or other personal effects while traveling to the new location.	No
Medical expenses incurred by employee or family members while en route to the new duty station.	No
Costs for structural alterations to new dwelling.	No

D. Reimbursement

An employee can file for reimbursement of miscellaneous expenses on Form AD-616R. No advance of funds is authorized for miscellaneous expenses.

10 Real Estate Expenses

A. Purpose

Real estate expense benefits are designed to reimburse a transferred employee for costs associated with the sale and/or purchase of a residence, or the breaking of a lease incident to that transfer. Employees who elect to sell their residences at the old duty station can either sell the home themselves and be reimbursed under the real estate transaction rules discussed below or they can use the Relocation Services Program (Paragraph 11).

B. Covered Expenses

The following table provides examples of real estate expenses reimbursable and not reimbursable:(refer to FTR Chapter 302-11)

Type of Expense	Old Station	New Station
Abstract	Yes	Yes
Advertising	Yes	No
Application fee (FHA and VA only)	Yes	Yes
Appraisal fee (determine market value of residence)	Yes	No
Appraisal fee (lender's)	No	Yes
Assumption fee (not in addition to origination fee)	No	Yes
Attorney's fee	Yes	Yes
Broker's commission	Yes	No
Construction charges	No	No
Cost of litigation	No	No
Credit report	No	Yes
Escrow agent's fee (not escrow deposits)	Yes	Yes
Hazard insurance	No	No
Inspection fees	Yes	Yes
Interest on loans	No	No
Lender's service fees (except as specifically listed)	No	No
Loan discounts (points)	No	No
Loan origination fee (not to exceed 1 per cent)	No	Yes

B. Covered Expenses, *continued*

Type of Expense	Old Station	New Station
Loan transfer fee (in addition to assumption or origination fee)	No	Yes
Losses due to prices or market conditions	No	No
Mortgage insurance	No	No
Mortgage prepayment penalty	Yes	No
Mortgage title insurance (lender's coverage)	No	Yes
Mortgage title insurance (owner's coverage)	Yes	No
Notary fees	Yes	Yes
Operating and maintenance costs	No	No
Pest inspection fee (but no services performed)	Yes	Yes
Pest eradication services	No	No
Property taxes	No	No
Recording fees	Yes	Yes
Record title insurance	Yes	Yes
Repair costs	No	No
State/county/city revenue stamps	Yes	Yes
Survey	Yes	Yes
Title insurance binder (instead of title search)	Yes	Yes
Title insurance opinion	Yes	Yes
Transfer charges	Yes	Yes
Unexpired lease termination	Yes	No

C. Reimbursement Limitations

For employees whose effective date of transfer is on or after March 22, 1997, the total amount of expenses that may be reimbursed in connection with the sale of the residence at the old duty station shall not exceed 10 percent of the actual sales price. For purchase of a residence at the new duty station, reimbursement is limited to 5 percent of the actual purchase price.

An employee who chooses to construct a home at the new duty station will be permitted to recover real estate expenses to the same extent as an employee who purchased an existing home.

D. Lease Termination

An employee who rents a home or apartment may be reimbursed expenses incurred with settling a lease, including month-to-month rentals. Reimbursement includes broker's fees for obtaining a sub-lease or charges for advertising an unexpired lease if:

- applicable laws or terms of the lease provide for the payment of settlement expenses,
- the expenses cannot be avoided by sub-lease or other arrangements,
- the employee has not contributed to the expenses by failing to give proper lease termination notice promptly after notification of transfer, and
- broker's fees or advertising charges are customary for the area.

If the unexpired lease is in the name(s) of anyone other than the employee or immediate family members, only a pro rata share of the expenses incurred to settle the lease are reimbursable.

E. Time Limitations

The settlement dates for the sale, lease termination, and purchase must be completed within 2 years from when the employee reported for duty at the new ODS. Upon an employee's written request, the 2-year time limitation may be extended for up to 2 additional years if the transfer took place on or after February 19, 2002. The request must be submitted as soon as the employee becomes aware of the need for an extension, but not later than 30 calendar days after the expiration of the initial 2-year period. Approval of the additional period of time will be based on a determination that extenuating circumstances, directly related to the transfer, prevented the employee from completing the sale, lease termination, or purchase transactions during the initial 2-year time period. No extensions beyond the 4-year limit are permitted. Headquarters offices should submit requests for extensions to the Director, FMD. State office and county office employees should submit requests to the State office for approval by the SED (SED may redelegate this authority to the AO).

F. Reimbursement

Following settlement, employees should submit Forms AD-616R and/or AD-424, Employee Application for Reimbursement of Expenses Incurred Upon Sale or Purchase of Residence Upon Change of Official Station, and all other required documentation for reimbursement of real estate expenses. Approving officials must review the real estate expenses claimed for reimbursement to determine that all charges represent usual and customary fees prevailing in the area involved. In the case of lease termination, the employee must also submit a copy of the executed lease and paid receipts, a written statement from the landlord indicating the fee being charged to terminate the lease, and proof of payment such as a canceled check or written receipt for termination fees. **No** advance of funds is authorized in connection with real estate transactions.

11 Relocation Services Program

A. About the Program

The Agency has contracted with private relocation service companies to provide relocation services to assist eligible employees in relocating to the new ODS. The RSP provides a number of services to eligible employees who elect to participate in the program or the home purchase service in lieu of reimbursement for expenses of sale of the residence at the old duty station. A relocating employee may choose to use any or all of the following:

- Home purchase service

Regular sale. The relocation service company will make an offer to purchase the employee's residence for its fair market value as determined by *independent* appraisals. This offer will be valid for 60 calendar days. The employee may reject the relocation services company's offer and be reimbursed for residence sales expenses under direct real estate reimbursement rules. The employee will not be reimbursed for any charges (inspection fees, appraisal fees, etc.) that duplicate fees paid to the relocation services company.

Amended value sale. Immediately after their enrollment in RSP, employees must begin to market their homes independently. An "exclusion clause" must be included in the listing contract with the broker. If the employee receives a higher bona fide offer before the expiration of the relocation service company's offer to purchase the home, the relocation company will amend the employee's offer to the higher amount (less any non-reimbursable items agreed to in the outside offer). The employee immediately sells the home to the relocation services company, which in turn accepts the outside offer.

Amend from zero sale. If an employee receives an outside offer to purchase his/her home prior to the completion of the appraisal process, the employee should notify the relocation services company immediately. The employee must not sign any papers with the proposed offer. The relocation services company will advise the employee of the documentation needed to review the offeror's terms. The relocation services company also will counsel the employee throughout the negotiation of the offer. The contractor will obtain a broker's market analysis as a benchmark of market value to help determine the reasonableness of the outside offer. In order to qualify for the amend-from-zero sale, the offer must not exceed the broker's market analysis by more than 5 percent and financing must be available to the prospective offeror. If the employee is satisfied with the new sale amount, the contractor may make a guaranteed offer to purchase the property if (1) the contractor determines the offer to be bone fide and (2) the broker's market analysis indicates it is a reasonable offer.

- Home marketing assistance.

The relocation services company will assist in developing a marketing strategy for the employee's old residence. This will include helping the transferring employee to select a real estate broker, to establish a realistic listing price, and to make the best use of the home purchase offer received from the relocation services company.

A. About the Program, *continued*

- Home finding assistance.

The relocation services company will provide individual counseling services to familiarize transferring employees with the real estate markets (including rental properties), schools, commuting, community life, etc., at the new duty station. Use of this free help service may help to reduce the house-hunting expenses.

- Mortgage finding assistance.

The relocation services company will provide information on the types and availability of mortgage financing and qualification requirements.

B. Limitations and Procedures

Employees who elect to participate in the RSP:

- are limited to 30-days of temporary quarters,
- must specifically indicate their election to participate in RSP when they sign their "Service Agreement." Employees who decide not to use RSP may not, at a later date, be provided these services for the same move, and
- must submit a completed Form 164-2 (Government Wide Relocation Services Program Transferee Information) as well as an approved travel authorization and signed service agreement to FMD. Employees will not be enrolled in the program until FMD receives these forms. A request for a delay in the initiation of services must be explained in Section D of the Form 164-2 and must include a justification for the delay. Examples of acceptable reasons for delayed entry are waiting for children to complete a school term or need for the spouse to find new employment. Employees who are authorized a delay in the initiation of services should delay marketing their homes, because this is viewed as evidence that the request for delay in services is not valid.

Prior to authorizing RSP on the Form AD-202R, the office completing the paperwork should call FMD/ATPS at 703-305-1408 for assignment of a relocation contractor and estimated cost for the program.

Upon entering the home purchase service portion of the RSP, the employee must market the home independently with a real estate agent. There is an exclusion clause that must be put into this contract. The employee can get information concerning this exclusion clause from the assigned relocation contractor. Failure to market the home independently may exclude the employee from enrollment in this program.

C. Cost of Program to Employee

There is no cost to the employee for electing to participate in any aspect of the RSP.

D. Employee to be Contacted by RSP Contractor

Based on the government-wide contracts held with the relocation services company, an employee must be contacted within 24 hours after being enrolled in the program. Within 5 business days, the employee will be provided additional written information on the program.

E. Additional Details

There are a great many details regarding participation in the RSP, and in the completion of an employee transfer. **Any employee who is relocating should work very closely with their travel contact and the relocation services contractor** to ensure that they understand these details, and are able to take full advantage of available programs.

12 RITA

A. Purpose

Moving expenses reimbursed and certain services provided to employees are considered taxable income. RITA is an allowance to reimburse transferred employees for the additional income taxes incurred as a result of this additional income. RITA covers moving expenses:

- actually paid or incurred, and
- not allowable as a moving expense deduction for tax purposes.

B. Taxable and Nontaxable Moving Expenses

If the employee's new duty is not at least 50 miles farther from his/her former home than the old duty station, all of the moving expenses incurred in conjunction with the move will be considered taxable.

If the move is 50 miles or greater in distance, some expenses will automatically be taxed. The expenses that are taxed will be reported on the employee's W-2 as taxable income along with the amount withheld. Those expenses not taxed will be reported on the W-2 as nontaxable income. The expenses that fall into each of these categories are listed below:

Taxable moving expenses are limited to:

- M&IE portion of per diem for enroute travel
- real estate expenses, including lease termination
- temporary quarters
- house hunting trip
- temporary storage of household goods and personal effects over 30 calendar days

Nontaxable moving expenses are limited to:

- mileage for enroute travel
- lodging portion of enroute per diem
- common carrier tickets
- shipment and 30 calendar days temporary storage of household goods and personal effects

C. When to File RITA Claims?

A RITA claim is filed as a final accounting of WTA payments made to transferred employees. WTA payments offset the Federal income tax withholding that the transferred employee incurs. These claims are filed in the calendar year following the year in which the WTA payments were received. To file a RITA claim, employees must submit Forms AD-616R and AD-1000, Claim for Relocation Income Tax. Failure to file a RITA claim by August 31 of the applicable year will result in the employee's repayment for the entire amount of WTA paid.

13 Administrative Leave

Policy concerning administrative leave for change of official station is covered in the Departmental Personnel Manual, Chapter 630, Subchapter 11-5i and Subchapter 12-6a. Supervisors and relocating employees should refer questions regarding administrative leave to the HRD.